



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

DEC 22 2016

REPLY TO THE ATTENTION OF:

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Judson Shreves, Operations Manager
Gulfport Energy Corporation
14313 North May Avenue, Suite 100
Oklahoma City, Oklahoma 73134

Re: Finding of Violation
Gulfport Energy Corporation
Oklahoma City, Oklahoma

Dear Mr. Shreves:

The U.S. Environmental Protection Agency is issuing the enclosed Finding of Violation (FOV) to Gulfport Energy Corporation (you) under Section 113(a)(3) of the Clean Air Act, 42 U.S.C. § 7413(a)(3). We find that you are violating Section 111 of the Clean Air Act, and the Standards of Performance for Crude Oil and Natural Gas Production, Transmission, and Distribution found in 40 C.F.R. Part 60, Subpart OOOO, at a number of your oil and gas production facilities located in Ohio.

Section 113 of the Clean Air Act gives us several enforcement options. These options include issuing an administrative compliance order, issuing an administrative penalty order and bringing a judicial civil or criminal action.

We are offering you an opportunity to confer with us about the violations alleged in the FOV. The conference will give you an opportunity to present information on the specific findings of violation, any efforts you have taken to comply and the steps you will take to prevent future violations. In addition, in order to make the conference more productive, we encourage you to submit to us information responsive to the FOV prior to the conference date.

Please plan for your facility's technical and management personnel to attend the conference to discuss compliance measures and commitments. You may have an attorney represent you at this conference.

The EPA contacts in this matter are Natalie Topinka and Constantinos Loukeris. You may contact Ms. Topinka at (312) 886-3853 or topinka.natalie@epa.gov, or Mr. Loukeris at (312) 353-6198 or loukeris.constantinos@epa.gov, to request a conference. You should make the request within 10 calendar days following receipt of this letter. We should hold any conference within 30 calendar days following receipt of this letter.

Sincerely,



for Edward Nam
Director
Air and Radiation Division

Enclosure

cc: Bob Hodanbosi, OEPA
Melisa Witherspoon, OEPA

ED 004016M 00016229-00005

reconstructed after August 23, 2011, and on or before September 18, 2015, are subject to the applicable provisions of Subpart OOOO.

6. Subpart OOOO, at 40 C.F.R. § 60.5365(e), provides that a storage vessel affected facility is a single storage vessel located in the oil and natural gas production segment, natural gas processing segment or natural gas transmission and storage segment, and has the potential for volatile organic compound (VOC) emissions equal to or greater than six tons per year as determined according to 40 C.F.R. § 60.5365. The potential for VOC emissions must be calculated using a generally accepted model or calculation methodology, based on the maximum average daily throughput determined for a 30-day period of production prior to the applicable emission determination deadline specified in 40 C.F.R. § 60.5365. The determination may take into account requirements under a legally and practically enforceable limit in an operating permit or other requirement established under a Federal, State, local or tribal authority.

7. Subpart OOOO, at 40 C.F.R. § 60.5411(b), requires owners and operators of storage vessel affected facilities to ensure that covers on storage vessels meet certain requirements, including that the cover and all openings on the cover shall form a continuous impermeable barrier over the entire surface area of the liquid in the vessel; each cover opening shall be secured in a closed sealed position except when certain activities are ongoing; and that each storage vessel thief hatch shall be equipped, maintained, and operated with a weighted mechanism or equivalent, to ensure the lid remains properly seated.

8. Subpart OOOO, at 40 C.F.R. § 60.5411(c), requires owners and operators of storage vessels using a control device to control emissions to design its closed vent system to route all gases, vapors, and fumes emitted from the material in the storage vessel to a control device that meets the requirements of 40 C.F.R. § 60.5412(c) and (d); and to design and operate a closed vent system with no detectable emissions, as determined using olfactory, visual, and auditory inspections.

9. Subpart OOOO, at 40 C.F.R. § 60.5412(d), requires that each control device used to meet the emission reduction standard in 40 C.F.R. § 60.5395(d) for storage vessel affected facilities must be installed according to 40 C.F.R. § 60.5395(d)(1) through (3), as applicable. As an alternative to 40 C.F.R. § 60.5395(d)(1), owners and operators of storage vessel affected facilities may install a control device model tested under 40 C.F.R. § 60.5413(d), which meets the criteria in 40 C.F.R. § 60.5413(d)(11) and § 60.5413(e).

10. Subpart OOOO, at 40 C.F.R. § 60.5412(d)(1)(ii), requires that each enclosed combustion device must have installed and operate a continuous burning pilot flame.

11. Subpart OOOO, at 40 C.F.R. § 60.5413(e), requires owners or operators of combustion control devices tested by the manufacturer to demonstrate that the control device achieves the performance requirements in (d)(11) of this section by installing a device tested under paragraph (d) of this section and complying with the criteria specified in paragraphs (e)(1) through (7) of this section.

12. Subpart OOOO, at 40 C.F.R. § 60.5413(e)(2), requires that a pilot flame on the combustion control device must be present at all times of operation.

13. Subpart OOOO, at 40 C.F.R. § 60.5410(h), requires owners and operators of storage vessel affected facilities to demonstrate initial compliance with Subpart OOOO for each storage vessel. In order to demonstrate initial compliance with Subpart OOOO, owners and operators must have completed five compliance requirements found elsewhere in Subpart OOOO: determining the potential VOC emission rate (40 C.F.R. § 60.5365(e)); reducing VOC emissions (40 C.F.R. § 60.5395(d)); meeting certain cover, closed vent and control device requirements, as applicable (40 C.F.R. § 60.5395(e), referencing, among other things, 40 C.F.R. § 60.5411(b) and (c)); meeting reporting requirements, including an initial annual report due no later than 90 days after the initial compliance period (40 C.F.R. § 60.5420(b)); and maintaining appropriate records (40 C.F.R. § 60.5420(c)).

14. Subpart OOOO, at 40 C.F.R. § 60.5370(b), requires that at all times, including periods of startup, shutdown, and malfunction, owners and operators shall maintain and operate any affected facility including associated air pollution control equipment in a manner consistent with good air pollution control practice for minimizing emissions. Determination of whether acceptable operating and maintenance procedures are being used will be based on information available to the Administrator which may include but is not limited to, monitoring results, opacity observations, review of operating and maintenance procedures, and inspection of the source.

Relevant Factual Background

15. In August 2015, EPA staff inspected and observed several oil and natural gas production well pads owned and operated by Gulfport in Belmont, Harrison, and Guernsey counties in eastern Ohio. These well pads include but are not limited to those identified in Attachments A and B to this Finding of Violation (FOV).

16. In July of 2016, EPA issued to Gulfport an information request under Section 114 of the CAA.

17. On October 14, 2016, Gulfport responded to the information request. Gulfport's responses to the information request included, among other things, emissions evaluations of the storage vessels at all the well pads listed in Attachments A and B.

18. Each of Gulfport's well pads listed in Attachments A and B includes storage vessels that contain an accumulation of condensate or produced water, and that are constructed primarily of non-carthen materials.

19. Gulfport's storage vessels at well pads listed in Attachments A and B were all constructed after August 23, 2011 but before September 18, 2015.

20. Gulfport's storage vessels at well pads listed in Attachments A and B all had the potential for VOC emissions equal to or greater than six tons per year in their first 30 days of production.

21. During the August 2015 inspections, EPA staff detected emissions from thief hatches or pressure relief devices on storage vessels at all the well pads listed in Attachment A.

22. During the August 2015 inspections, EPA observed that the combustion control devices at the well pads listed in Attachment B were not operating with a continuous pilot flame while vapors were being directed to them.

Violations

23. Gulfport's storage vessels at well pads listed in Attachment A are subject to Subpart OOOO, and based on the above described detectable emissions from storage vessels observed by EPA staff, Gulfport has failed to ensure that the covers on its storage vessels meet certain requirements, including that the covers and all openings shall form a continuous impermeable barrier over the entire surface area of the liquid in the vessel, and that each cover opening shall be secured in a closed, sealed position except when certain activities are ongoing, violating 40 C.F.R. § 60.5411(b).

24. Based on the above described detectable emissions from storage vessels observed by EPA staff, Gulfport has failed to design its closed vent systems to route all gases, vapors and fumes emitted from the material in the storage vessels to a control device, and to design and operate closed vent systems with no detectable emissions, as determined using olfactory, visual, and auditory inspections, violating 40 C.F.R. § 60.5411(c).

25. Based on, among other things, Gulfport's failure to meet certain cover, closed vent and control device requirements, demonstrated by the above described detectable emissions from storage vessels observed by EPA staff, Gulfport has failed to demonstrate initial compliance at its storage vessel affected facilities listed in Attachment A, violating 40 C.F.R. § 60.5410(h).

26. Gulfport's storage vessels at well pads listed in Attachment B are subject to Subpart OOOO, and based on Gulfport's failure to operate its combustion control devices with a present and continuously burning pilot flame at its storage vessel affected facilities listed in Attachment B, Gulfport has violated 40 C.F.R. § 60.5412(d).

27. Based on the above described detectable emissions from storage vessels, and absence of a present and continuously burning pilot flame on its combustion control devices observed by EPA staff during the August 2015 inspections, Gulfport failed to operate its storage vessel affected facilities in a manner consistent with good air pollution control practice for minimizing emissions, violating 40 C.F.R. § 60.5370(b).

Environmental Impact of Violations

28. These violations have caused or can cause excess emissions of VOC.

29. Excess VOC emissions can cause eye, nose, and throat irritation, headaches, loss of coordination, nausea and damage to liver, kidney and the central nervous system.

30. VOC emissions are a precursor to ground-level ozone. Breathing ozone contributes to a variety of health problems including chest pain, coughing, throat irritation and congestion. It can worsen bronchitis, emphysema, and asthma. Ground-level ozone also can reduce lung function and inflame lung tissue.

12/23/14
Date

Sara Bruneman
for Edward Nam
Director
Air and Radiation Division

ATTACHMENT A

Facility Air Permit ID	Facility Name	Wells Supplying the Facility	Facility GPS Latitude	Facility GPS Longitude	County
06-07-01-5013	Amanda	AMANDA 1-14H	39.88943	-81.17016	Belmont
		AMANDA 4-14H			
06-34-00-5043	BK Stephens	BK STEPHENS 1-16H	40.18536	-81.16774	Harrison
		BK STEPHENS 2-16H			
		BK STEPHENS 3-16H			
06-34-00-5048	Boy Scout	BOY SCOUT 1-33H	40.25840	-81.21459	Harrison
		BOY SCOUT 2-33H			
		BOY SCOUT 4-33H			
		BOY SCOUT 5-33H			
06-34-00-5045	Clay	CLAY 1-4H	40.17340	-81.22704	Harrison
		CLAY 2-4H			
		CLAY 3-4H			
		CLAY 4-4H			
06-07-01-5005	Family	FAMILY 1-32H	40.05669	-81.10384	Belmont
		FAMILY 2-32H			
		FAMILY 3-32H			
06-34-00-5070	Gustina-Bear	GUSTINA-BEAR 1-23H	40.19058	-81.18653	Harrison
		GUSTINA-BEAR 2-23H			
		GUSTINA-BEAR 3-23H			
06-07-01-5009	Hayes	HAYES 1-1H	40.04481	-81.12047	Belmont
		HAYES 2-1H			
		HAYES 3-1H			
		HAYES 4-1H			
06-07-00-5010	Inherst	INHERST 1-14H	39.88939	-81.17680	Belmont
		INHERST 2-14H			
		INHERST 3-14H			
06-07-01-5004	McCort	MCCORT 1-28H	39.91963	-81.21521	Belmont
		MCCORT 2-28H			
		MCCORT 3-28H			
		MCCORT 4-28H			
06-34-00-5072	Milliken	MILLIKEN 1-4H	40.17478	-81.23982	Harrison
		MILLIKEN 2-4H			
		MILLIKEN 3-4H			
06-34-00-5049	Ryser	RYSER 1-25H	40.21567	-81.20079	Harrison
		RYSER 2-25H			
		RYSER 3-25H			
		RYSER 4-25H			
06-07-04-5002	Sandra	SANDRA 1-31H	40.04085	-81.10851	Belmont
		SANDRA 2-31H			

Facility Air Permit ID	Facility Name	Wells Supplying the Facility	Facility GPS Latitude	Facility GPS Longitude	County
06-07-01-5003	Shugert 12	SHUGERT 1-12H	40.03269	-81.14577	Belmont
		SHUGERT 1-1H			
		SHUGERT 2-12H			
		SHUGERT 2-1H			
		SHUGERT 3-12H			
		SHUGERT 3-1H			
		SHUGERT 4-12H			
		SHUGERT 4-1H			
06-56-05-5001	Stutzman	STUTZMAN 1-14H	39.89056	-81.17089	Belmont
		STUTZMAN 3-14H			
06-07-01-5008	Wesley	WESLEY 1-8H	39.89255	-81.15874	Belmont
		WESLEY 2-8H			

ATTACHMENT B

Facility Air Permit ID	Facility Name	Wells Supplying the Facility	Facility GPS Latitude	Facility GPS Longitude	County
06-34-00-5070	Gustina-Bear	GUSTINA-BEAR 1-23H	40.19058	-81.18653	Harrison
		GUSTINA-BEAR 2-23H			
		GUSTINA-BEAR 3-23H			
06-07-01-5009	Hayes	HAYES 1-1H	40.04481	-81.12047	Belmont
		HAYES 2-1H			
		HAYES 3-1H			
		HAYES 4-1H			
06-07-01-5012	Swallie	SWALLIE 210041 1C	40.03896	-81.13895	Belmont
		SWALLIE 210041 2B			

CERTIFICATE OF MAILING

I, Kathy Jones, certify that I sent a Finding of Violation, No. EPA-5-17-OH-08, by Certified Mail, Return Receipt Requested, to:

Judson Shreves, Operations Manager
Gulfport Energy Corporation
14313 N. May Ave. Suite 100
Oklahoma City, OK 73134


I also certify that I sent copies of the Finding of Violation by first-class mail to:

Bob Hodanbosi
Chief, Division of Air Pollution Control
Ohio Environmental Protection Agency
bob.hodanbosi@epa.ohio.gov

and

Melisa Witherspoon
Assistant Chief, Southeast District Office
Ohio Environmental Protection Agency
melisa.witherspoon@epa.ohio.gov

On the 29 day of December 2016



Kathy Jones
Program Technician
AECAB, PAS

CERTIFIED MAIL RECEIPT NUMBER: 7009 1680 0000 7646 9869

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